

DEPARTMENT OF MILITARY AFFAIRS

An Agency Profile Prepared by the
Legislative Fiscal Division

November, 2016



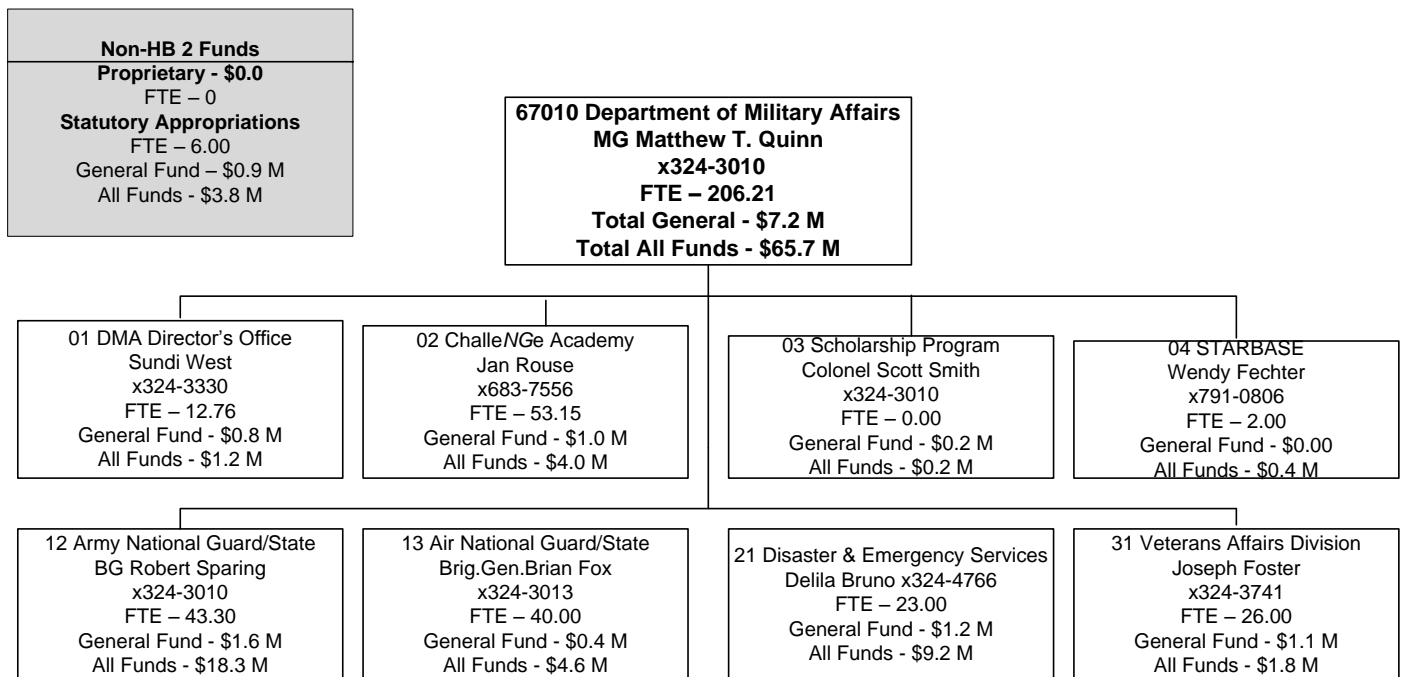
INTRODUCTION

The Department of Military Affairs (DMA) has three primary components to its mission:

- Federal - Serve as the primary federal reserve force in support of the national security objectives when called upon by the President of the United States
- State – Protect life, property, preserve peace, order, and public safety for Montana’s citizens, when called upon by the Governor
- Community – Participate in local, state, and national programs that add value to America

DMA, administered by the Adjutant General, oversees activities of the Air and Army National Guard, Disaster and Emergency Services, and the National Guard Youth ChalleNGe program. The Montana Board of Veterans' Affairs is administratively attached to the department. Below is an organizational chart of DMA, including full-time employee (FTE) numbers and the HB 2 general fund expenditures and total expenditures from all funds.

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HOW SERVICES ARE PROVIDED

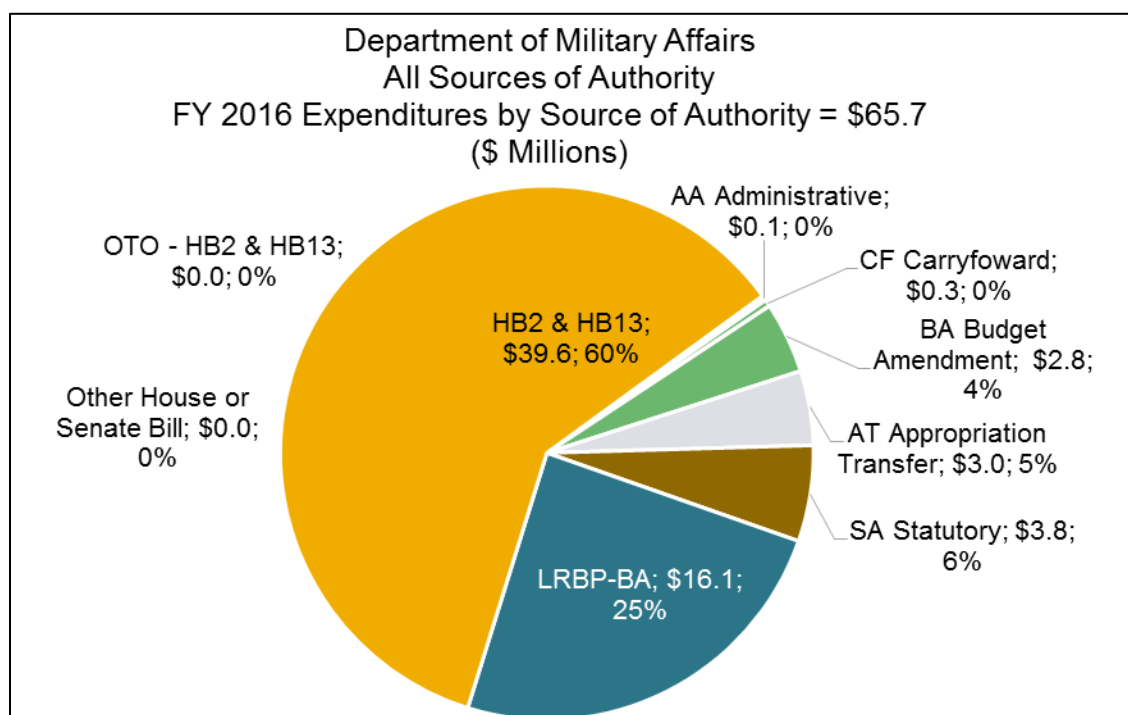
The Department of Military Affairs provides services through a structure consisting of eight divisions/programs. Services provided within DMA include:

- Providing trained and equipped military units for use in the event of state or federal mobilization.
- Maintaining numerous military facilities in Montana and planning and contracting for construction of military facilities and training areas.
- Providing statewide communication services, security contracts, and leases for buildings and land used by Army National Guard.
- Providing trained and equipped military air units for use in event of state or federal mobilization, including wildfire support.

- Operating an education program for “at risk” youth between the ages 16 to 18 who have dropped out of high school. The Youth Challenge Program teaches both life skills and academics (leading to GED completion) in a military-modeled training program.
- Utilizing curriculum from the Department of Defense’s STARBASE Program to provide inquiry based instruction in Science, Technology, Engineering, and Math (STEM) and STEM career fields for 5th grade students at Fort Harrison and Gore Hill (Great Falls), middle school after school programs in Helena and Great Falls, and through outreach summer programs in tribal communities.
- Providing statewide disaster planning and preparedness activities and coordination of federal, state, and volunteer assistance to communities, local and tribal governments in the event of an incident, emergency, or disaster.
- Assisting discharged veterans and their families regarding veteran benefits and administering three veteran cemeteries located in Montana. The Board of Veterans’ Affairs is administratively attached to the Department of Military Affairs.
- Providing scholarship awards to enlisted Montana National Guard troops enrolled as full-time undergraduate students in colleges, universities, or training programs.

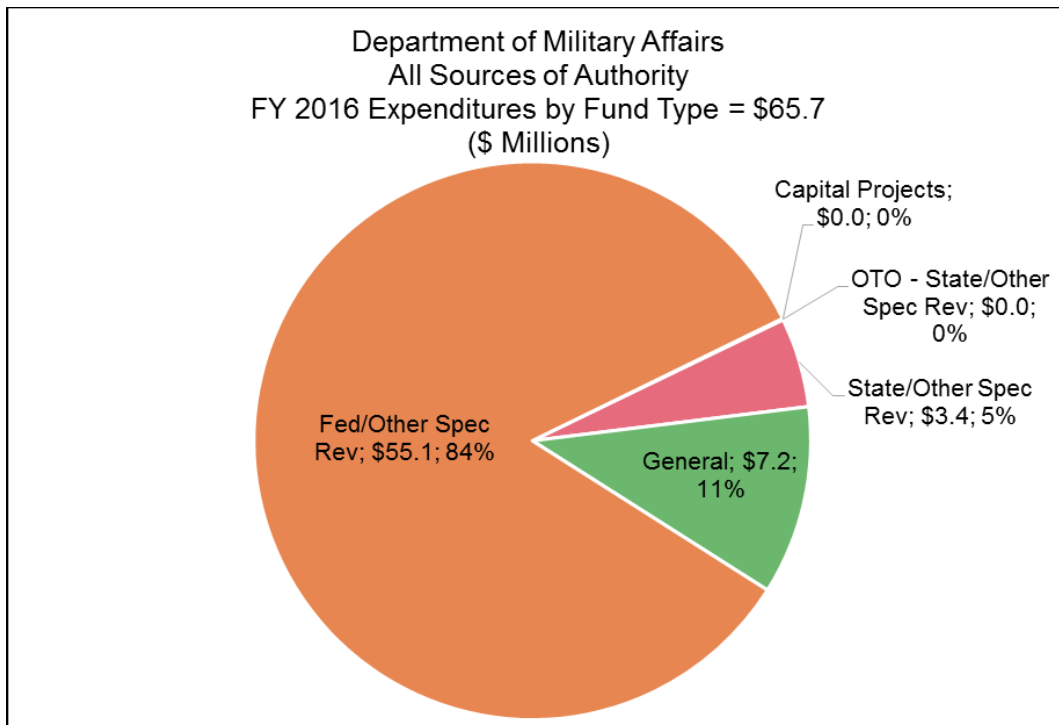
SOURCES OF SPENDING AUTHORITY

The chart below shows the sources of authority for the Department of Military Affairs that were expended in FY 2016. DMA receives the majority of its spending authority from HB 2 and the pay plan.

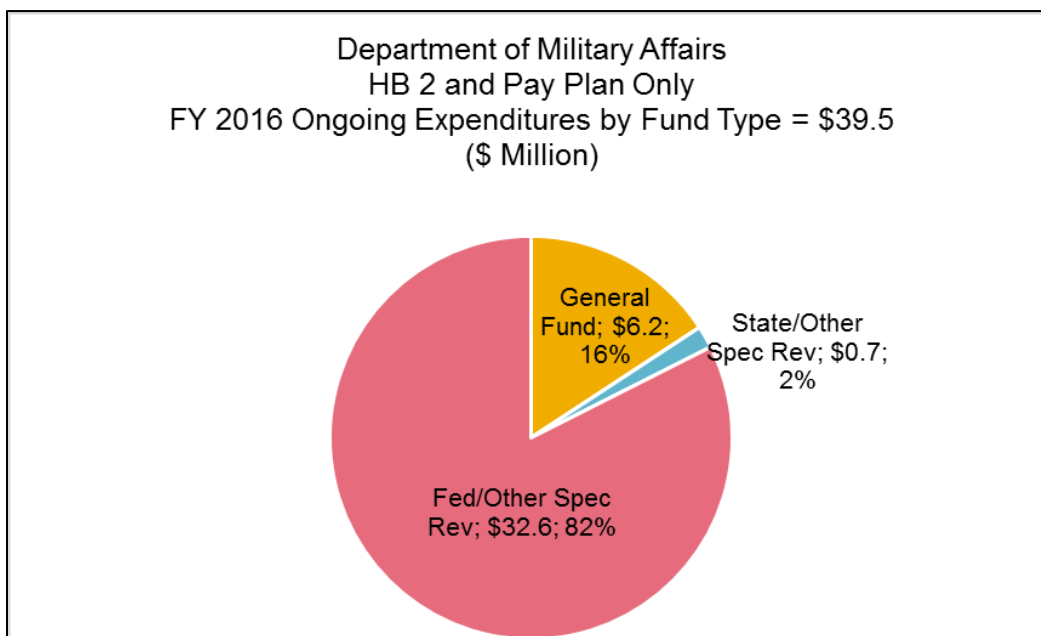


FUNDING

The Department of Military Affairs is predominately funded with federal special revenue funds. The chart below shows FY 2016 actual expenditures by fund type for all sources of authority.

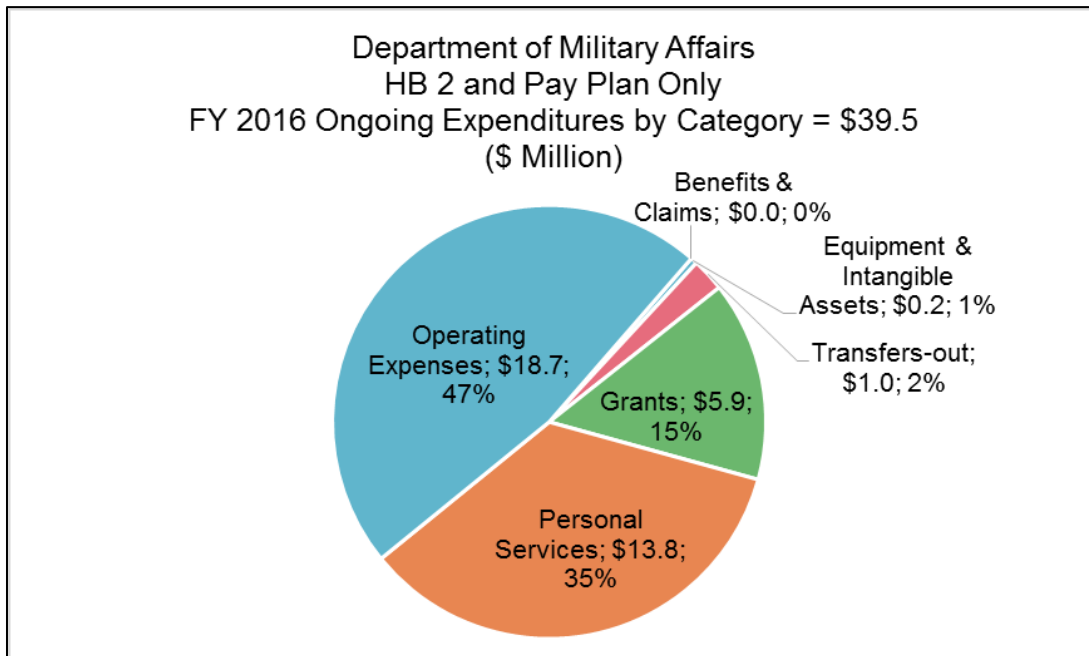


The chart below shows the Department of Military Affairs HB 2 and pay plan expenditures by fund type. DMA is primarily funded in HB 2 with federal special revenue. Most federal programs require a state match, which is the majority of the general fund shown is used. General fund match is used in the Youth Challenge Program, Disaster and Emergency Services, and Air National Guard Program. It is also used in the operations formula for military facilities operations costs that are a federal/state split based upon facility ownership under the Army National Guard Program.



EXPENDITURES

The chart below explains how HB2 and pay plan authority is spent.



HOW THE 2017 LEGISLATURE CAN EFFECT CHANGE

In order to change expenditure levels and/or activity, the legislature might address:

- Number of military facilities in Montana – each military facility located in Montana creates ongoing and future costs for operations and maintenance. While the federal government typically pays 100% of the capital construction costs, operations and maintenance are split using a federal/state expenditure formula. Therefore, addressing the number of military facilities located in the state may change expenditure and activity levels of the department.
- Level of disaster and emergency preparedness – Montana's disaster and emergency preparedness is directly dependent on general fund support. Emergency management, response, and recovery costs are shared 50/50 with the Department of Homeland Security's Federal Emergency Management Agency (FEMA). Department of Military Affairs identifies when state funding is not adequate, sufficient resource are not available to plan, organize, equip, train, and conduct a robust emergency management program.
- Participation in Youth ChalleNge Program – The ChalleNge Program is funded with general fund and federal special revenues at a 25/75 state to federal funding ratio for most costs. Department activity can be changed by determining if and at what level Montana will participate in this optional program.
- Participation in STARBASE – STARBASE Program is funded entirely with federal special revenues. Department activity can be changed by determining if and at what level Montana will participate in this optional program.

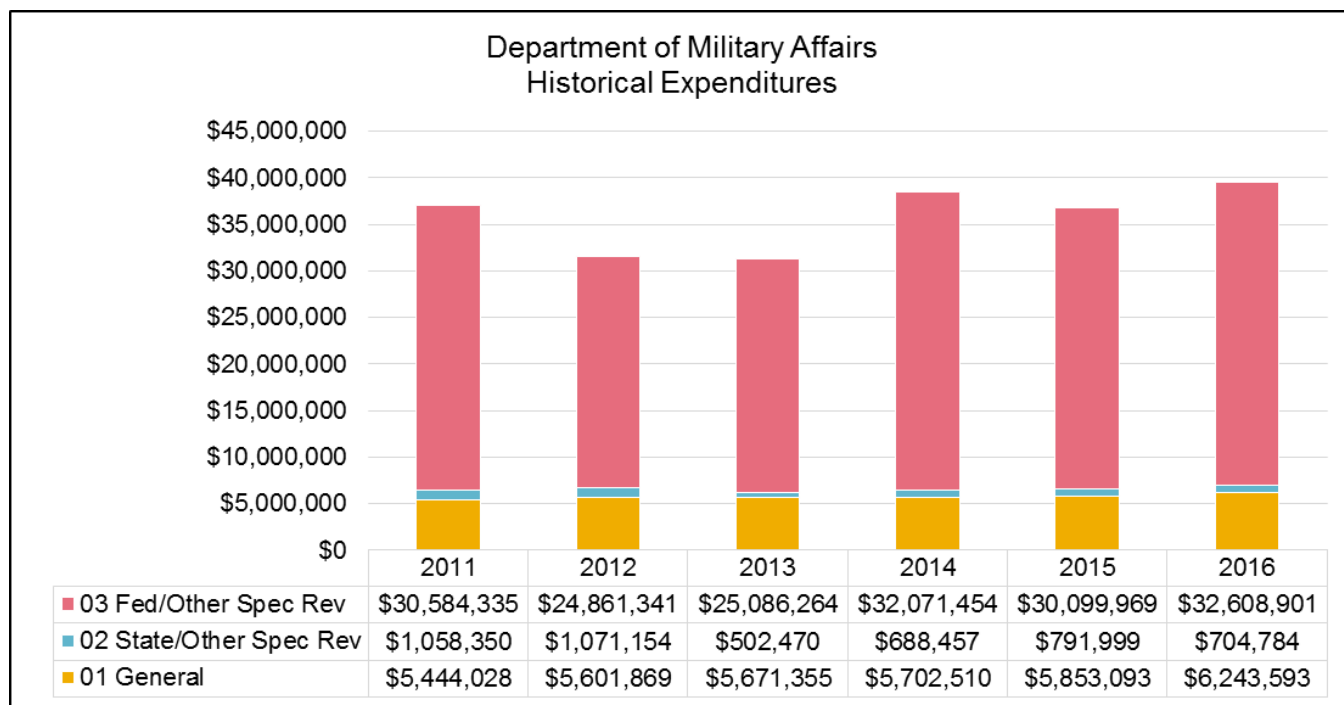
MAJOR COST DRIVERS

| Element | 2012 | 2014 | 2016 | Significance of Data |
|---|---------------|---------------|---------------|---|
| Number of military facilities in Montana | 270 | 281 | 246 | Indicates operations costs |
| Number of disaster declarations | 12 | 14 | 14 | Reflects demand for Disaster and Emergency Services |
| Number of scholarship awards | 175 | 216 | 169 | Reflects demand for scholarship funds |
| Number of Youth Challenge enrollees | 190 | 250 | 202 | Reflects demand for youth who require non-traditional setting for education |
| Number of Youth Challenge graduates | 131 | 200 | 160 | Measures, in part, short and long-term success of the program |
| Veterans benefits acquired for Montana veterans | \$160 million | \$163 million | \$177 million | Receipt of VA monetary benefits resulting from agency services |
| Number of veterans assisted with benefit claims | 3,354 | 2,317 | 3,122 | Reflects need for services |
| STARBASE Helena participants - cumulative | 4,503 | 6,081 | 7,299 | Indicates number served by the educational program |
| STARBASE Great Falls participants - cumulative | 1,062 | 2,656 | 4,192 | Indicates number served by the educational program |

FUNDING/EXPENDITURE HISTORY

The following table shows historical changes in the agency's funding and expenditures. Major reasons for change are:

- HB 13 pay increases for 32 FTE, including 22 exempt FTE in FY 2014
- Operating expenses declined in FY 2012
- Legislative approval of office's 5% reduction plan in FY 2012
- Vacancy saving increased to 7%, reducing the personal services funding in the 2011 biennium



MAJOR LEGISLATIVE CHANGES IN THE LAST TEN YEARS

Major changes in the last ten years include:

- 2013 Legislature
 - The Legislature increased the percentage of vehicle license fees allocated to the Veteran's Affairs Division. The increases are allocated to the State Veterans' Cemetery Account, which is statutorily appropriated, and the Veterans' Service Account, which is included in HB 2.
- 2009 Legislature
 - The Legislature increased the maximum amount available for transfer to local sheriff's offices for search and rescue operations from \$3,000 to \$6,000 per rescue operation and increased the maximum amount available to match local funds for the purchase of search and rescue equipment from \$2,000 to \$6,000.
 - The Legislature provided \$1.3 million in federal special revenue for National Guard Bureau approved projects to improve, repair and modernize facilities through the American Recovery and Reinvestment Act. In addition, the legislature provided general fund appropriations of \$250,000 for a military museum and \$750,000 for Improvised Explosive Device (IED) training.
 - The Legislature created a Montana National Guard land purchase account in the state special revenue fund and required that if the state sells an armory, the money from the sale must be deposited in the account. It also created a statutory appropriation from the account for the preparations to purchase or for the purchase of land necessary for the Montana National Guard's mission upon the authorization of the Governor.
- 2007 Legislature
 - The Legislature authorized counties to construct and maintain a veterans' cemetery, and allowed the county to fund the cemetery via imposition of a property tax levy and acceptance of gifts, grants, or donations.
 - The Legislature made the money in the Fish, Wildlife, and Parks (FWP) special revenue account for search and rescue remain available for reimbursement of search and rescue missions and provided matching funds to reimburse counties for search and rescue training and equipment costs.
 - The Legislature transferred \$1.0 million of general fund to a state special revenue fund, established for the purpose of creating a Montana military family relief fund. All money transferred to the fund by the legislature, all monetary contributions, gifts, grants, etc., must be deposited to the state special revenue account and is statutorily appropriated to the Department of Military Affairs for relief grants to National Guard and Reserve members or family members.
 - The Legislature provided the state statutory authorization for the Montana National Guard Youth Challenge Program.

For more information on the agency, please visit their website, here: <http://dma.mt.gov/>.